



Alaska Economic Update

June 17, 2016

Summary

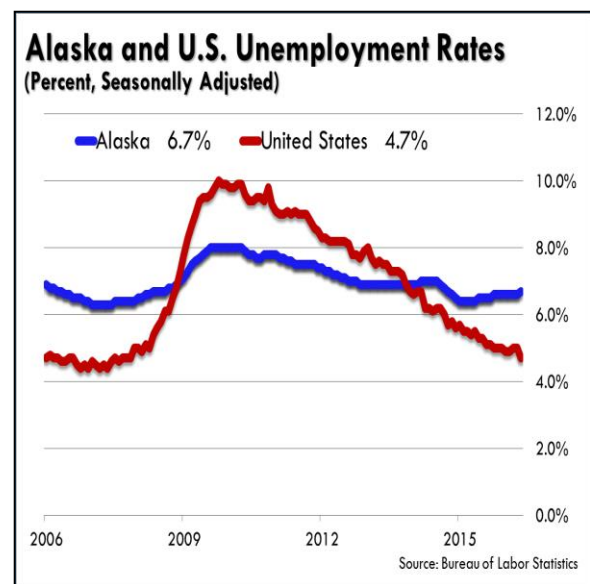
Nonfarm payroll employment in Alaska increased by 2,000 jobs and the unemployment rate rose to 6.7 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Alaska Unemployment Rate

During May, the unemployment rate in Alaska increased by 0.1 percentage point to 6.7 percent. The number of people counted as unemployed rose by 217 in May to 24,177, while the labor force fell by 985 to 359,720. Among the 50 states and the District of Columbia, 50 posted lower unemployment rates for the month than Alaska. A year earlier, the unemployment rate in Alaska stood at 6.4 percent.

The 10 year peak for the unemployment rate in Alaska was 8.0 percent in April 2010. The series high for the unemployment rate in Alaska occurred in August 1986 when the unemployment rate reached 11.2 percent. The 10 year low for the unemployment rate was 6.3 percent in June 2007. This also represents the series low for the unemployment rate in Alaska. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Alaska Payroll Employment

Alaska nonfarm payrolls increased by 2,000 jobs, or 0.59 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 900. Over the past 12 months nonfarm payrolls in Alaska declined by 1,900, or 0.56 percent. Alaska nonfarm payroll employment has increased in 6 of the past 12 months.

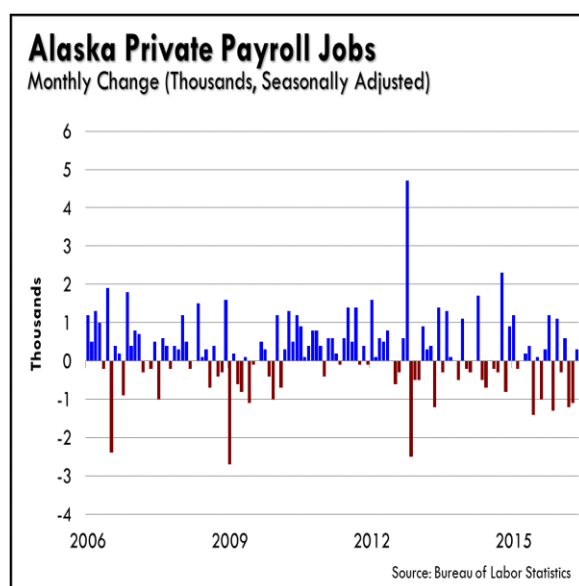
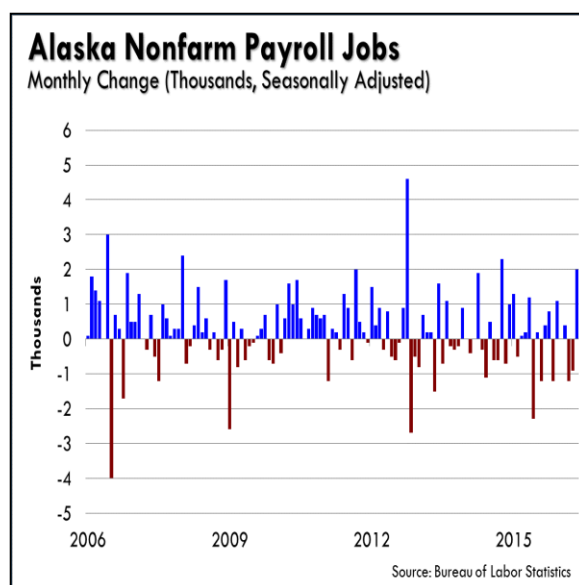
Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Alaska ranks 48th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Alaska private sector payrolls increased by 300, or 0.12 percent. Private sector payrolls declined by 1,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Alaska declined by 2,700, or 1.04 percent. Alaska private sector payroll employment has increased in 6 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Alaska ranks 48th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Alaska increased by 1,700, or 2.08 percent. Federal government payroll employment increased by 300, or 1.92 percent. State government payroll employment was unchanged, while local government payroll employment increased by 1,400, or 3.37 percent.



Over the past year, total government payroll employment increased by 800, or 0.97 percent. State government payroll employment declined by 1,300, or 5.00 percent. Local government payroll employment increased by 1,200, or 2.87 percent.

The best performing sectors on a seasonally adjusted basis during May were Total Government (+1,700) and Leisure & Hospitality (+1,400). The poorest performing sectors during the month were Trade, Transportation & Utilities (-1,100) and Professional & Business Services (-600).

The best performing sectors during the last twelve months were Educational & Health Services (+1,800) and Leisure & Hospitality (+900). The poorest performing sectors for the year were Professional & Business Services (-2,200) and Mining & Logging (-2,000).

Other Alaska Labor Force Statistics

The labor force participation rate in Alaska declined to 66.3 percent in May from 66.5 percent the prior month. Among the 50 states and the District of Columbia, 13 have a higher labor force participation rate than Alaska. The labor force participation rate in Alaska is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Alaska was 71.5 percent in June 2006. The series high for the labor force participation rate in Alaska occurred in December 1989 when the labor force participation rate hit 74.4 percent. The 10 year low for the labor force participation rate was 66.3 percent in May 2016. This also represents the series low for the labor force participation rate in Alaska.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.



The employment-to-population ratio, or the percentage of the Alaska civilian noninstitutionalized population 16 years and older counted as employed, declined to 61.8 percent in May from 62.0 percent the prior month. Among the 50 states and the District of Columbia, 20 have higher employment-to-population ratios than Alaska. The employment-to-population ratio in Alaska is 1.0 percentage point lower than a year earlier.

The 10 year high for the employment-to-population ratio in Alaska was 66.8 percent in June 2006. The series high for the employment-to-population ratio in Alaska occurred in March 1998 when the employment-to-population ratio hit 69.5 percent. The 10 year low for the employment-to-population ratio was 61.8 percent in May 2016. The series low for the employment-to-population ratio occurred in June 2016 when the employment-to-population ratio hit 61.8 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.

